

Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL NAHA

AMEMBASSY MOSCOW

INFO CINCPAC

COGARD

GOVGUAM

TRSY

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 212907

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: SEPTEMBER 8 EA PRESS SUMMARY

1. JAPAN

MIYAZAWA TOLD PRESS SUNDAY PLANS MEET CHIAO KUAN-HUA
DURING UNGA LATE SEPT TO TRY BREAK DEADLOCK IN JAPAN-ROC
PEACE TREATY NEGOTIATIONS. PRC INSISTS ON INCLUSION
"HEGEMONY CLAUSE" THAT JAPAN FEARS WOULD ANTAGONIZE
SOVIET (AP NYT, NYDN, WP).

ASAHI SHIMBUN SAYS 51 PERSONS DIED OF LUNG CANCER,
500 SUFFER FROM DISEASES CAUSED BY "SEXIVALENT
CHROMIUM" POLLUTION (WP, 9/7). SUN'S SEIDEN (9/6)
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SAYS YELLOWISH POWDER KNOWN AS "HEXACHROME" BECAME
TARGET OF CRUSADE LAST MONTH WHEN JAPANESE CHROME FIRM
ANNOUNCED PLAN TO BUILD PLANT IN SK. ACCUSED OF
"EXPORTING JAPANESE POLLUTION." SYMPATHETIC PRESS

AND ENVIRONMENTALISTS FORMED GROUP OF PURPORTED
HEXACHROME POLLUTION VICTIMS, DEMAND GOVT ACTION,
COMPENSATION FROM ALLEGED POLLUTERS.

SEIDEN DESCRIBES LAST-MINUTE EFFORT BY MAJOR SHIPPING
FIRM TERUKUNI KAIUN TO STAVE OFF COLLAPSE. NOTES MANY

BELIEVE RECENT BANKRUPTCY SPREE CAUSED BY GOJ TIGHT
MONEY POLICY THAT HALTED INFLATION "SOMEWHAT" BUT ALSO
STOPPED ECONOMIC GROWTH. FINDS CONSENSUS GROWING
IN GOVT CIRCLES FOR STRONGER ANTI-RECESSION MOVES.

ENVIRONMENTAL AGENCY APPEALS TO JAPANESE SEAMEN
STOP POLLUTING OCEAN WITH GOLF BALLS; SAYS BORED
CREW MEMBERS PRACTISING DRIVES SHOOT OVER TWO MILLION
USED GOLF BALLS INTO SEA EACH YEAR (AP, PHINQ).

WSJ (GLOBAL REPORT) NOTES SIGNS POSTWAR RECESSION
BOTTOMING OUT, AFTER SEVERAL FALSE STARTS. BUT ANY
GROWTH LIKELY COME FROM GOVT SPENDING, AS PERSONAL
CONSUMPTION RETARDED BY LOWER-THAN-EXPECTED WAGE
HIKES, INCREASE IN TRADITIONAL HIGH RATE OF FAMILY
SAVINGS.

CULLISON (JOC) CITES WORLD-WIDE RECESSION, SLUMPING
FREIGHT RATES, AS CAUSE FOR GROWING DISCOURAGEMENT,
FEAR OF COMING CRISIS IN SHIPPING INDUSTRY. ALSO
NOTES DOMESTIC FREIGHT FIRMS FACING MAJOR TRANSITION.
RECESSION HALTS 30 YEARS OF UNPLANNED EXPANSION BUT
GIVES FREIGHT HAULERS RESPITE TO PLAN UPGRADE TRANSPORTA-
TION, DISTRIBUTION SYSTEMS.

FOUR CREDITOR BANKS, FIVE FIBER MAKERS, PUT TOGETHER
PACKAGE TO "RESCUE" TROUBLED TRADING FIRM, CHORI;
INCLUDES SUSPENSION INTEREST PAYMENTS UNTIL 1977,
10 BILLION YEN WORTH NEW LOANS. CONSORTIUM PLANS ASK
OTHER CREDITORS APPLY PRIME RATE ON LOANS TO FIRM
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(JOC, TOKYO; WSJ, TOKYO).

MORE THAN ONE OUT OF EIGHT CARS BOUGHT BY AMERICANS
IN AUGUST MADE IN JAPAN, ACCORDING JAPANESE INDUSTRY
SOURCES (UPI, NYT).

BANK OF JAPAN SURVEY RELEASED LAST WEEK SAYS PRIVATE
PLANT, EQUIPMENT INVESTMENT MAY DECLINE 5 PERCENT
DURING CURRENT JFY. CAPITAL SPENDING LAST JFY BY 1,511
FIRMS SURVEYED ESTIMATED AT 26.4 BILLION DOLS (JOC,
TOKYO).

REUTER REPORTS 1,800 POLICE, RIOT POLICE, DETECTIVES

RAIDED YAMAGUCHI GANG HANGOUTS IN KOBE SATURDAY;
ARRESTED 56 ON SUSPICION ASSAULT, EXTORTION, GAMBLING,
SELLING OBSCENE BOOKS (WP 9/7).

2. KOREA

FOUR PROTESTANT MINISTERS, OUTSPOKEN CRITICS PARK
REGIME, SENTENCED TO 6-10 MONTHS PRISON TERMS;
CONVICTED OF CHARGES MISUSED GERMAN CHAIRTY FUNDS TO
HELP POLITICAL PRISONERS (WP).

ROKG RECENTLY OPENED FOREIGN TRADE CENTER (KOTRA)
IN MARSEILLES, TO CONDUCT MARKET STUDIES, PROMOTE
BILATERAL TRADE. MOVE COINCIDES WITH REOPENING SUEZ
CANAL, SEEN IMPORTANT TO FRENCH PORT TRADITIONALLY
ORIENTED TO ME, FE TRADE (JOC, MARSEILLES).

NK BROADCAST MONITORED TOKYO STATES DPRK ADOPTED PLAN
FOR 11 YEARS COMPULSORY EDUCATION (AP, PHINQ).

3. CHINA

AP (SUN 9/7) REPORTS DULLES SATURDAY-NIGHT ARRIVAL OF
HIGHEST-RANKING PRC TRADE DELEGATION EVER TO VISIT
US, ON 18-DAY NATIONWIDE TOUR AIMED AT FACT-FINDING,
FAMILIARIZING ITSELF WITH US ECON SYSTEM, US EXPORT
INDUSTRIES.

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TENG HSIAO-PING TOLD VISITING NZ EDITORS SATURDAY
PRC'S POLITICAL CAMPAIGNS ALWAYS BEING MISINTERPRETED
ABROAD, AND LATEST MOVEMENT SPRINGING FROM DEBATE
OVER 13TH CENTURY NOVEL "WATER MARGIN" NO EXCEPTION.
INSISTED PRESENT CAMPAIGN, LIKE LAST YEAR'S ANTI-LIN
PIAO/CONFUCIUS DRIVE, DOES NOT SIGNAL INTERNAL
PROBLEMS IN COUNTRY OR CCP, BUT IS MERELY PART OF
PEKING'S EFFORTS TO PREVENT CAPITALISM RESTORATION
(REUTER, WP 9/7).

NCNA REPORTS CHOU EN-LAI MEETING WITH GROUP OF
ROMANIAN VISITORS AT PEKING HOSPITAL (WP). AGENCY
REPORTS VOLUME OF PRC FOREIGN TRADE GREW BY SEVEN
AND ONE-HALF TIMES FROM 1952-1974, BUT GIVES NO
PRECISE FIGURES OR ANNUAL GROWTH RATE (REUTER, NYT; WP).
NCNA MAINTAINS THAT "BY EXPANDING HER ECONOMY,
CHINA HAS OPENED UP FINANCIAL RESOURCES AND ACCUMULATED
LARGE FUNDS FOR HER ECONOMIC CONSTRUCTION AND CULTURAL
AND EDUCATION DEVELOPMENT"; SAID PRC ALSO HAS R
"CONDUCTED ECONOMIC CONSTRUCTION ON EVER LARGER SCALE
WITH HER OWN FUNDS" (AP, WP 9/7).

TENTH ANNIVERSARY ESTABLISHMENT "TIBETAN AUTONOMOUS REGION OF CHINA" BEING CELEBRATED 9/8, BUT WITH AREA

STILL CLOSED TO FOREIGNERS. TIMES OF LONDON DISPATCH SAYS FACT PRC DELEGATION THAT VISITED LHASA IS HEADED BY HUA KUO-FENG, CCP POLITBURO MEMBER AND PUBLIC SECURITY MINISTER, EMPHASIZED PEKING'S CONTINUING CONCERN WITH SECURITY PROBLEMS IN TIBET. DELEGATION ALSO INCLUDED YEN CHENG, CHIEF CHENG TU MIL REGION POLITICAL COMMISSAR, AND PUBLIC SECURITY MINISTRY MEMBER YANG KUEI. REPORTS OF CONTINUING UNREST, ARMED REBELLIONS, CONTINUE EMANATING FROM TIBETANS WHO FLED TO INDIA, NEPAL; BUT PRC PRESS ONLY SAYS THERE ARE CLASS ENEMIES, CLASS STRUGGLE, IN TIBET, AS IN REST OF PRC (NYT).

NYT (HK) ITEM NOTES PRC IS PRESSING BIRTH-CURB DRIVE; PROVINCIAL BROADCASTS INDICATE MEETINGS BEING HELD TO STUDY, CARRY OUT, MAO'S CALL FOR BIRTH CONTROLS. UNCLASSIFIED

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MEL LAIRD ARRIVED TAIPEI SUNDAY FOR 4-DAY PRIVATE BUSINESS VISIT (AP, WP 9/7).

4. INDOCHINA

WP'S BECKER QUOTES IENG SARY IN SPEECH BEFORE PEACE GROUP THAT CAMBODIAN GOVT DID NOT ORDER MAYAGUEZ SEIZURE, FIRST LEARNED OF INCIDENT FROM US RADIO, ORDERED LOCAL LEADER TO PP TO EXPLAIN ACTION, THEN TOLD HIM RETURN AND RELEASE SHIP; ATTACK STARTED BEFORE ORDERS COULD BE CARRIED OUT. DOS HAS NO COMMENT ON SARY'S REMARKS. BECKER COMMENTS SARY DID NOT DEVIATE FROM CLAIM MAYAGUEZ IN KHMER TERRITORIAL WATERS, DID NOT MENTION ANY OF US ATTEMPTS CONTACT PP LEADERSHIP.

SIHANOUK AFFIRMS TO CHINESE HE WILL RETURN TO CAMBODIA (AFP, NYT 9/7). PRC TOP LEADERSHIP TURNS OUT FOR BANQUET CELEBRATING FORTHCOMING RETURN TO HOMELAND; PRINCE EXPECTED LEAVE TUES OR WEDS FOR PP (WP). SIHANOUK INDIRECTLY GOADED USSR, HEAPED PRAISE ON PRC AT PEKING FAREWELL BANQUET; SHOWED DISPLEASURE AT USSR FOR NON-SUPPORT UNTIL VICTORY IMMINENT. PRC VICE PREMIER TENG HSIAO-PING HOSTED BANQUET, SAID HOPED PRINCE, GRUNK PM PENN NOUTH ON RETURN HOME WITH KHIEU SAMPAHN, WILL CONTINUE CONTRIBUTE TO NATL UNITY, BUILDING INDEPENDENT, PEACEFUL, NEUTRAL, NON-ALIGNED CAMBODIA (WU, SUN).

WSTAR (9/7) CARRIES PAGE-LONG 6-COLUMN AD FOR SALE 50,000 RIEL GOLD COIN AUTHORIZED 7/74 BY DEFUNCT

GKR, "STRUCK IN PART" BY FRENCH GOVT MINT. ISSUE FIXED
"BY LAW" AT 11,000 PIECES; COINS CONTAIN 6.71 GMS GOLD,
SELL FOR 119 DOLS PLUS HANDLING CHARGE, WITH PROOF COPIES
HIGHER. SALES BEING HANDLED FROM MIAMI ADDRESS, NO
INDIVIDUALS ASSOCIATED WITH ISSUE, SALES, MENTIONED.

NYT'S ANDELMAN (9/6) AT BANGKOK NOTES BOTH CAMBODIA,
SVN BEGAN CAMPAIGNS TO CONVINCE WORLD LIFE IN COUNTRIES
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RETURNING TO NORMAL. PP RADIO ANNOUNCED REOPENING
POCHENTONG, NUMBER OF FACTORIES, TRANSPORT FACILITIES;
SAIGON RADIO REPORTED RESUMPTION OPERATIONS "HUNDREDS"
FACTORIES, ENTERPRISES IN CAPITAL, BIEN HOA, DANANG, QUI
NHON, CAN THO. REPORTS PP RADIO ADMITTED PROBLEMS IN
AGRIC SECTOR. SAYS SOME ANALYSTS BELIEVE MUCH OPTIMISTIC
RHETORIC FROM PP RECENTLY DESIGNED HERALD SIHANOUK'S
RETURN.

SOUVANNA STATES PLANS RETIRE AFTER GENL ELECTIONS NEXT
APR. BELIEVED WILL HAND OVER POWER TO SOUPHANOUVONG
(AFP, NYT 9/6). DEMONSTRATORS IN VIENTIANE CALL ON
RTG EXPEL ALL LAOTIAN RIGHTISTS IN THAILAND (WP).

UPI'S DAWSON, AT BANGKOK, RECENTLY EXPELLED FROM SAIGON,
REPORTS 50-ODD AMCITS STILL THERE FEAR WILL BE HELD AS
HOSTAGES TO FORCE NEGOTIATIONS AS SVN REGIME ACTIVELY SEEKS
RECOGNITION. SEES US AID AS OBJECTIVE OF RECOGNITION
QUEST, WITH PRG IRRITATED AT US VETO UN MEMBERSHIP. ALSO
SAYS ABOUT 300,000 MOVED TO COUNTRYSIDE IN WELL-ORGANIZED
OPERATION; QUOTES OFFICIALS THAT 2 MILLION OF SAIGON'S 3.5
MILLION WILL GO AS QUICKLY AS POSSIBLE; NOTES SO FAR
PERSUASION, NOT FORCE, USED. ADDS BANDS ANTI-COMMUNIST
SOLDIERS ROAM HIGHLANDS, PARTS DELTA, BUT HAVE NOT
LAUNCHED SIGNIFICANT ATTACK IN PAST 4 MOS (WP 9/7, CHITRIB).

SVN ANNOUNCES SAIGON CURFEW REDUCED BY 2 HRS, NOW RUNS
MIDNIGHT TO 4 A.M. ALSO SAYS 2 OFFICERS PREVIOUS REGIME
SENTENCED DEATH AS WAR CRIMINALS AFTER CONVICTED TAKING
PART MASSACRE, TORTURE DEATHS (WP).

5. INDOCHINA REFUGEES

UNHCR REP IN BANGKOK ISSUES WORLD APPEAL FINANCIAL AID FOR
50,000 INDOCHINESE REFUGEES IN THAILAND. GUAM LEGISLATURE
ADOPTS RESOLUTION MOVE UNRULY REFUGEES TO WAKE (WP).
DANISH GOVT HOLDS 197 VIET REFUGEES ON ISLAND TO PERMIT
DECIDE FOR THEMSELVES WHETHER WANT RETURN VN. GROUP
CONSISTS OF CHILDREN BROUGHT IN BY JOURNALIST WHO HAD LIVED
IN SAIGON, WORKED WITH ORPHANS; PLUS 105 WHO HAD OPTED
FOR DENMARK WHEN PICKED UP FROM SINKING FREIGHTER BY

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DANISH SHIP. GOVT PREVIOUSLY INTENDED REPATRIATE ALL, NOW CHOOSES WAIT. VN GOVT IN NO HURRY GET ANOTHER BATCH REFUGEES SINCE HAVE MILLION ON HANDS NOW, ACCORDING DANISH RED CROSS (NYT 9/7).

US ABSORBING REFUGEES, WITH 100,000TH EXPECTED LEAVE CAMP NEXT WK, THOUGH SOME VOLAG WORKERS NOT SO OPTIMISTIC. CONTRAST BETWEEN WASHINGTON PRONOUNCEMENTS, WHAT HEARD IN FIELD, REMINISCENT OF RHETORIC 10 YRS AGO ON ESTIMATES HOW US FORCES FARING IN VN (NORDHEIMER, NYT 9/7). WP'S BECKER REPORTS MD SCHOOL HAPPY PLACE TO VIET GIRL, INTENDS WRITE PERIODIC ARTICLES ON HER PROGRESS. PHIL BULLETIN (9/3) REPORTS VIETS FINDING PLACE IN AREA LIFE; REPORTER GOLDWYN TELLS OF REFUGEE FAMILY IN PHILA SPONSORED BY RELIGIOUS ORDER.

6. MALAYSIA

GOM, IN DRIVE AGAINST TERRORISTS, HAS DECIDED IMPOSE DEATH PENALTY FOR ILLEGAL POSSESSION FIREARMS, AMMO, EXPLOSIVES (UPI, NYT). HOME MINISTRY ANNOUNCEMENT SAYS CLAUSE INCLUDED IN INTERNAL SECURITY ACT TO DETER ANTI-GOVT ACTIVITIES, ACTS OF TERRORISM (UPI WP, CHITRIB).

7. INDONESIA

REPORTED IN JAKARTA THAT NEW OIL FINDS DURING PAST YEAR HAVE INCREASED INDO KNOWN RESERVES BY BILLION BARRELS; BUT MINING INDUSTRY SPOKESMAN SAYS PRODUCTION OF COUNTRY'S LOW-SULPHUR OIL HAS DECLINED BECAUSE OF REDUCED FOREIGN BUYER DEMANDS (AFP, WP). UPI (SINGAPORE) REPORTS SINCE BEGINNING OF YEAR, GOI OIL PRODUCTION HAS DROPPED BY ALMOST 500,000 BARRELS DAILY; COMPANIES SHUTTING DOWN WELLS, CAN'T SELL CRUDE ANYWHERE--PROBLEM DESCRIBED AS TOO MUCH OF GOOD THING AT TOO HIGH PRICE (JOC).

8. THAILAND

RTG INVITES GROMYKO VISIT, CONCLUDE THAI-SOVIET CULTURAL AGREEMENT, DISCUSS MOSCOW'S REQUEST OPEN MIL MISSION IN UNCLASSIFIED

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BANGKOK (WP; CSM). THAI FONMIN TELLS AP SHOULD INCREASE CONTACTS WITH USSR, SINCE HAVE ESTABLISHED DIP TIES WITH CHINESE (WP).

9. BURMA

GOVT STARTS REBUILDING TEMPLES, SHRINES, AT PAGAN DAMAGED BY QUAKE. EXPERTS BELIEVE AT LEAST 2 YRS NEEDED RESTORE TEMPLES (REUTER, WP).

10. TIMOR

PORT TEAM ESTABLISHES CONTACT WITH WARRING FACTIONS IN ATTEMPT OPEN PEACE TALKS (WP 9/7). OBSERVERS AT DARWIN SUGGEST MACAO AS SITE FOR TALKS. FRETELIN WILLING TALK AT CANBERRA, BUT PORT MISSION SAYS PREFERS ITS TERRITORY. INDONESIAN TROOPS ALONG TIMOR BORDER PUT ON FULL ALERT (REUTER, WP; GLOBE).

11. PHILIPPINES

GOP TESTS 4 ROCKETS, SAYS SUCCESSFUL EXPERIMENT IN DOMESTIC PRODUCTION BALLISTIC MISSILES. MARCOS STATES OTHER LOCALLY-BUILT WEAPONS BEING TESTED, BECAUSE DEFENSE CANNOT BE LEFT TO ALLIANCES WITH OTHER COUNTRIES (PHINQ; GLOBE; UPI, CHITRIB; WP; WSJ).

MANILA ORDERS HALT IN MIL OPNS AGAINST REBELS IN SOUTH TO PERMIT HIGH-LEVEL INTERMEDIARY NEGOTIATE SURRENDER OTHER INSURGENT LEADERS (NYT 9/7).

GOP INTRODUCES NEW COINAGE, INCLUDING SQUARE, SCALLOPED PIECES (SABLE, GLOBE 9/7). ALMOST FULL-PG NYT AD (9/7) OFFERS SALE FIRST PHILS' GOLD COIN. PIECE HAS FACE VALUE 1000 PISOS, CONTAINS 9.95 GRAMS GOLD, OFFERED FOR 133 DOLS, HAS MARCOS' PORTRAIT ON FACE.

NYT'S BUTTERFIELD AT MANILA (9/7) REPORTS MARCOS' CAMPAIGN FOR MORE CONTROL OVER US BASES. TALKS HAVE BEGUN, BUT US OFFICIALS STILL UNSURE WHAT GOP WANTS. REVIEWS HISTORY US BASE AGREEMENTS. NOTES LOCAL PRESS RECENTLY GAVE UNCLASSIFIED

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MAJOR PUBLICITY TO SVN FONMIN BINH'S CHARGE AT LIMA THAT PRESENCE US BASES DISQUALIFIED PHILS FROM BEING MEMBER GROUP. POINTS OUT MARCOS DILEMMA IN TRYING ALTER BASE STATUS, SINCE THEY ARE IMPORTANT TO ECONOMY, STRONG PRO-US FEELING EXISTS AMONG COMMON PEOPLE. SAYS SUBIC MORE CRITICAL THAN CLARK, UNSURE HOW FAR MARCOS INTENDS PRESS FIL DESIRE ACQUIRE LEGAL JURISDICTION OVER US SERVICEMEN.

12. AUSTRALIA/NEW ZEALAND

NEW AUSSIE BUDGET SETS LEVY ON COAL EXPORTS; QUESTION REMAINS WHETHER WILL PLACE SIMILAR CHARGES ON EXPORT OTHER MINERALS (STOVE, JOC). SICK DAYS PROVE COSTLY AUSSIE ECONOMY; "SICKIE" COMMON, PROBLEM OF STAGGERING NATL

IMPORTANCE, MAY COST UP TO 1.6 BILLION DOLS YRLY (REUTER, NYT).

NZ GOES TO POLLS NOV 29. ROWLING RESTRAINED, NOT GIVEN TO ROUGH-AND-TUMBLE POLITICAL INFIGHTING; OPPOSITION LEADER MULDOON OF NATL PARTY IS BELLIGERENT. LEADERS WILL SET STYLES FOR CONTEST, WITH ECON ISSUES LOOMING LARGEST (NYT).

COMMENT AND ANALYSIS

13. JAPAN

FARNSWORTH (NYT) IN PARIS CITES OECD SURVEY REPORT THAT CANADA, FRG, JAPAN LEAD NON-COMMUNIST INDUSTRIAL NATIONS IN BENEFITS TO UNEMPLOYED.

PHILA BULLETIN (9/3) WELCOMES JAPAN AGREEMENT "FULLY RESPECT" LOWER QUOTAS, BUT NOTES STILL FAR TOO MUCH WHALING. SUGGESTS "MORE SALUTARY CHANCE" CONVINCE JAPAN, SOVIET TO STOW HARPOONS THROUGH VOLUNTARY CUTBACKS RATHER THAN THREATENING TRADE CUTBACKS.

CHITRIB ASKS WHAT ROLE CONGRESS SHOULD PLAY IN FOREIGN POLICY, AND RECALLS "RAPPED CONGRESS' KNUCKLES" REPEATEDLY IN RECENT MONTHS FOR DIRECT, CLUMSY INTER-UNCLASSIFIED

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REFERENCE. BUT CITES "STARTLING" CONTRARY VIEW STATED BY LAIRD IN TOKYO LAST WEEK WHICH DESERVES THOUGHTFUL LOOK -- SAID IN FAIRLY SHARP DIG AT SECSTATE, "I HAVE ALWAYS UNDERSTOOD OUR SYSTEM, EVEN IF SOME PEOPLE DON'T," AND APPLAUDED NEW, CRITICAL STANCE TAKEN BY CONGRESS ON FOREIGN POLICY. EVEN SO, EDIT CONCLUDES CONGRESS SHOULD SERVE AS "STABILIZER", NOT EXTRA PILOT, AND NOT WRESTLE WITH WH FOR RUDDER.

DAVID MUTCH (CSM) IN BONN NOTES MARCH WEST OF SOVIET-BUILT COMPACT CAR "LADA". FOR EVERY ONE SOLD WGERMANY TODAY, 60 FIATS STILL BEING SOLD; BUT IN FIRST HALF, LADA OUTSOLD COMPARABLE DATSUN, TOYOTA MODELS.

SAAR (WP 9/7) IN YOKOHAMA DESCRIBES "INVINCIBLE ARMADA" IN WHICH JAPANESE AUTO-MAKERS EXPORT STREAM OF CARS, MOSTLY TO US. CITES NISSAN PRES KAWAMATA SAYING "OUR BUSINESS IS TO SELL DATSUNS," DON'T WANT STATUS QUO, WANT EXPAND EXPORTS TO US.

HALLORAN (NYT) IN TOKYO REVIEWS GOJ PLANNING TO RESHAPE OIL INDUSTRY, MAKE IT MORE COMPETITIVE WITH MAJORS -- QUOTES SENIOR MITI OFFICIAL SAYING JAPANESE INTL MAJOR LIKE THOSE OF WEST, "SORT OF PHILOSOPHICAL OBJECTIVE,

AN EVENTUAL GOAL."

HALLORAN (NYT 9/3) IN TOKYO INTERVIEWS EX-MARINE HARRY PACKARD, WHO STAYED IN JAPAN AFTER POST-WAR SERVICE TO COLLECT ART. SAYS HE NEVER BOUGHT AN OBJECT DIDN'T LIKE PERSONALLY, ONCE EVEN SOLD HOUSE TO BUY GROUP HE WANTED. LAST WEEK SOLD COLLECTION TO NY METROPOLITAN FOR 5.1 MILLION DOLS. AP (TOKYO) NOTES PACKARD NEGOTIATED WITH MET 18-MOS TO REACH AGREEMENT TO DEVOTE PROCEEDS OF SALE TO SET UP CENTER FOR STUDY JAPANESE ART IN TOKYO.

IN DAILY SERIES BEGUN 8/28, JOC'S CULLISON ANALYZES JAPAN'S LONGEST, MOST PAINFUL POST-WAR RECESSION, WHICH MANY BELIEVE MARKS END OF HIGH-GROWTH PERIOD, UNPLEASANT TRANSITION FROM QUANTITY TO QUALITY. STATES BUSINESS LEADERS GLOOMY IN FACE OF UNKIND ECONOMIC CLIMATE OF RISING LABOR COSTS, LOSS OF INTL COMPETITIVE POSITION. REVIEWS UNCLASSIFIED

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PESSIMISTIC PROSPECTS FOR POWER, STEEL, SHIPPING, PAPER, ELECTRONICS, ELECTRIC MACHINERY, AUTO, SHIPBUILDING INDUSTRIES; NOTES (9/3) ONLY MACHINERY OUTPUT EXPECTED RISE THIS YEAR DESPITE RECESSION, TO 93 BILLION DOLS, INCLUDING 29 BILLION DOL EXPORTS.

PARADE MAGAZINE (9/7) FRONT PAGES COLOR PHOTO OF SMILING EMPEROR, EMPRESS, BY GEORGE MICHAELSON, WHO NOTES IN COVER STORY THAT HIROHITO WANTED VISIT US FOR OVER 50 YEARS -- WILL HAVE CHANCE NOW RIGHT TIME HAS COME, IN RESPONSE PRES' INVITATION. BUT TIMING OF SENTIMENTAL JOURNEY COULD NOT BE MORE APT OR POIGNANT, BECAUSE 30 YEARS AGO THIS MONTH IMPERIAL JAPANESE ARMY SURRENDERED TO ALLIED FORCES, AND "SHY, FRAIL, 'DIVINE' EMPEROR" IN WHOSE NAME 1.5 MILLION JAPANESE DIED APPEARED BEFORE GENL MACARTHUR PERSONALLY TO TAKE FULL RESPONSIBILITY FOR WAR. WAS NOT JUDGED RESPONSIBLE; INSTEAD, MACARTHUR TOLD HIM GO BEFORE JAPANESE PEOPLE, DECLARE WOULD REIGN NOT AS "GOD" BUT AS HUMAN BEING. CITES GRAND CHAMBERLAIN SUKEMASA IRIE EXPLANATION EMPEROR NEVER THOUGHT OF SELF AS GOD, REALIZED HIS NAME HAD BEEN ABUSED BY MILITARY, AND FRANKLY FELT "SOMETHING OF A RELIEF" TO BE RID OF BURDEN OF SO-CALLED DIVINITY (WP).

14. KOREA

WP (9/7) CARRIES FULL PAGE AD BY KOREAN INFORMATION OFFICE, STOCKHOLM, GIVING FULL TEXT OF ANSWERS BY "GREAT LEADER" KIM IL SUNG TO ALGERIAN GOVT ORGAN JOURNALIST ALGIERS MAY 29.

HALLORAN (NYT) CITES ITEM IN ENGLISH LANGUAGE KOREAN HERALD THAT CLAIMS US PRESS COVERAGE OF SK "DISTORTED." COLUMN

QUOTES UNNAMED US KOREAN WAR VETS RECENTLY IN SK THAT US

MEDIA COVERAGE OF KOREAN SITUATION "MOSTLY CROOKED AND
IRRESPONSIBLE." STATES THIS SHOWS EXTENT TO WHICH
US PRESS HAS BECOME REGULAR PART OF SK POLITICS, WITH
ALL SIDES TRYING USE IT TO SWAY OPINION IN US, IN
CONGRESS, AND IN SK (USIA WIRELESS FILE). KISSINGER

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